

CHAPTER 5

Supporting Longer Working Careers in Organisations: Challenges and Complexities

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Takeaways for Leading Change

Population ageing is a global phenomenon and a current megatrend with political, governmental and economic consequences worldwide. Although population aging brings challenges, it can also provide new opportunities. Relational leadership stresses the importance of collective leadership and bottom-up processes along with top-down ones. This chapter highlights empirically organisational practices which support longer working careers. However, this requires trust and open dialog between employees and supervisors as well as enabling organisational structures. The main argument put forward is that organisations which are able to utilise the potential of longer working careers and a more age-diverse workforce, are likely to flourish in the long run.

The purpose of this chapter is to focus on human resource management (HRM) challenges and complexities related to the retention of an ageing workforce, thereby supporting longer working careers in organisations. The ageing of the population is a megatrend currently affecting societies and organisations worldwide. Increased longevity and decreased fertility are the primary reasons for the ageing of the population (Uhlenberg, 2013). A number of European countries and Japan have experienced birth rates below the replacement rate since the 1960s. The United States has experienced such a rate since the 1980s (Mahon & Millar, 2014). Although developed countries have been the forerunners in terms of population ageing, other countries will follow the same path. According to a United Nations (UN) report (2017), the number of individuals over age 60 has doubled since 1980 and is currently nearly one billion worldwide. This number that is expected to double by 2050 (The United Nations, 2017).

Population ageing is an example of a wicked problem that brings changes for societies, organisations and individuals (Hertel & Zacher, 2018). Vivid terms, including “grey dawn and tsunami” (Mahon & Millar, 2014, p. 553, 560)

have been used to describe the consequences of population ageing. At the societal level, population ageing affects a variety of sectors, including labour markets, services, housing, transportation and inter-generational ties (The United Nations, 2017). It also changes the dependency ratio and is expected to influence national competitiveness. Changing demographics and their influences are particularly notable in the healthcare field due to the increasing use of healthcare services by a society’s oldest citizens (Mahon & Millar, 2014). There is continuing pressure in this field to slow the increase of healthcare costs without jeopardising the quality of healthcare services (Buchan, O’May, & Dussault, 2013). At the moment of writing, the Finnish public healthcare and social sectors are currently undergoing an

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enormous reform, known as SOTE, aimed at restraining costs and securing equal healthcare services for all citizens.

Due to population ageing, several society-level actions have been taken, including legislation concerning age discrimination. In recent years, various retirement reforms have been enacted in many countries with the aim of postponing the retirement age to decrease pension costs and dependency ratios (Mahon & Millar, 2014; Hertel & Zacher, 2018). In 2017, Finland enacted a new retirement reform aimed at lengthening working careers. Such increases in the official retirement age have increased the rate of participation of older individuals in the labour market in recent years (Sonnet, Olsen, & Manfredi, 2014). In Finland, for example, older employees are currently considering working after retirement more often than they did before (Tenhunen, 2017). However, there are significant differences between nations in terms of the working activity of older individuals. For instance, in Sweden, 70% of those over age 55 are working, but in Italy, only 38% of those in that age group are actively participating in working life (Mahon & Millar, 2014).

Along with society-level initiatives and reforms, the need for organisational-level actions, including HRM practices and policies, that support longer working careers has been stressed (Sonnet, Olsen, & Manfredi, 2014). From the organisational perspective, the increasing average age of the workforce means that organisations must efficiently use the knowledge and skills of their older employees and find ways to engage and retain their employees of all ages (Ng & Feldman, 2015). Yet, organisations vary greatly in how they have responded to the challenges related to the ageing workforce and the degree to which they have promoted longer working careers (Wallin, 2014).

In recent years, the retention of older employees has been studied in different fields, including gerontology, psychology, sociology, political science and management. A variety of theoretical conceptualisations of late career and retirement have been presented (Wang & Shultz, 2010). This chapter pays particular attention to HRM practices as potential factors influencing the retention of older employees in organisations. In line with relational leadership, which emphasises the collective leadership and bottom-up processes, this chapter also focuses on the active role of older

employees in terms of managing their late career and how they perceive HRM practices provided by the organisation.

The empirical analysis is based on qualitative research examining the late-career intentions and expectations of older nursing professionals. Interview data were collected among 22 older (50+) nursing professionals in one Finnish university hospital in December 2016. The public-healthcare field provides an interesting context in which to examine the challenges related to the retention of older employees, because the field currently faces pressures to respond to the increasing need for healthcare services in a cost-efficient way while enduring a shortage of nursing professionals.

The chapter is structured as follows: The theoretical section focuses on how retention of older employees has been approached in recent HRM studies. The empirical section sheds light on the challenges and complexities of retaining longer working careers in healthcare context. It focuses on the perceptions of older (50+) nursing professionals towards their work and HRM practices. Finally, the chapter provides concluding remarks and implications for the LFC approach.

Retaining Older Employees in Organisations: the HRM Perspective

When it comes to defining “older employees”, there is no clear consensus, and the literature contains various categorisations for such employees (see, for example, Ng & Feldman, 2015, p. 66). Herein, an older employee is defined as one 50 years old or older, because at this point, there is a declining trend in labour-market participation (Brough, Johnson, Drummond, & Timms, 2011; Organisation for Economic Co-operation and Development [OECD], 2006). Although ageing is universal, the changes related to ageing differ between individuals. These changes do not only concern biological and physiological changes, but also psychological and social ones. How old age and ageing are perceived and experienced varies societally and individually (Kooij, de Lange, Jansen, & Dikkers, 2008; Hertel & Zacher, 2018; Whittington & Kunkel 2013; Uhlenberg, 2013).

In the field of HRM, a growing number of studies have focused on the challenges and complexities related to retaining older employees (Hertel & Zacher, 2018). For instance, organisation-level HRM studies have focused on identifying so-called age-inclusive HRM practices (Hertel & Zacher, 2018; De Vos & van der Heijden, 2017). In general, these practices aim to support the needs and preferences of older employees as well as those in other age groups in the organisations. As Mahon and Millar (2014, p. 563) noted, “thoughtful ageing policies must deal with the entire spectrum of ageing and levels in the organisational hierarchy.” These HRM practices include, for example, non-discriminatory recruitment, selection, performance and rewarding as well as training and development practices (Hertel & Zacher, 2018). In addition, flexible work practices relating, for example, to the possibilities to combine work and family responsibilities have also been highlighted. In practice, flexibility can mean an individual’s ability to influence one’s own working hours or working methods (Bal & De Lange, 2015). The theoretical background for these studies is based frequently on the social exchange theory and the psychological contract perspective. In other words, HRM practices are seen as a way to maintain and strengthen the reciprocal relationship and mutual trust between employees and their organisation (Armstrong-Stassen, Freeman, Cameron, & Rajacic, 2015).

So-called age management studies have also identified HRM practices as important to support longer working careers and abolishing obstacles, such as ageist practices in organisations (Ilmarinen, 2006; Wallin, 2014). For example, in some cases, older individuals may encounter career plateaus in organisations or challenges related to job changes and re-employment opportunities if they are unemployed (Sonnet, Olsen, & Manfredi, 2014). The theoretical background for these age management studies often relies on studies of work ability. As a concept, work ability illustrates the balance between an employee’s resources and his/her job demands (Ilmarinen, 2006). While the work abilities of individuals tends to decline with age, the variation among individuals is great (Ilmarinen, 2006). Furthermore, both the individual employee and the organisation can promote work ability (Ilmarinen, 2006; Hertel & Zacher, 2018).

In line with the work ability approach, recent HRM studies have stressed the importance of *continuous person-environment fit* to maintain workability

as well as to support successful ageing in the work context (Kooij, 2015, p. 334). Individual-level HRM studies have also highlighted the importance of examining how older employees perceive HRM practices as well as their own active role in managing late career (Tempest & Coupland, 2016; Kooij, 2015). Attention has been paid, for example, to the changing life goals of older employees, the use of various strategies to compensate for changes related to aging and the significance of both of these to late-career choices (Bal & De Lange, 2015). In other words, older employees are no longer seen merely as the passive objects of HRM practices and policies. Instead, they are considered actors which can take part in the process of creating an atmosphere and HRM practices that are more age-friendly (Hertel & Zacher, 2018; Kooij, 2015).

Supporting longer working careers in organisations can be considered as a complex problem given that the late-career choices of older employees are influenced by a number of factors that may or may not be related to work. For example, there is evidence that the retirement plans of female employees are often more strongly influenced by marital status, education and income than those of male employees (Riekhoff & Järnefelt, 2017). Besides the diversity of older working populations, there are also differences between industry sectors and organisations in terms of willingness and readiness to support longer working careers (Wallin, 2014). All the aforementioned makes it difficult to identify “best HRM practices” for retaining older employees and supporting longer working careers.

Older Nursing Professionals’ Perceptions Towards Work and HRM Practices

This section focuses on the challenges related to retention of older nursing professionals in a public health care field. An individual-level perspective is used to demonstrate how older nursing professionals perceive their work and HRM practices in the context of retention. This empirical example is based on a qualitative study conducted in a Finnish university hospital. In all, 22 older nursing professionals were interviewed in December 2016. The

nursing professionals interviewed worked in four different locations and represented several wards. All the interviewees had long working tenures at the hospital. The oldest was 64 years old. Five interviewees were male, and the rest were female.

The participants were asked to describe and reflect on their career trajectories, current jobs and future prospects at work. This chapter focuses on the perceptions among nursing professionals of the types of organisational practices that would support their abilities to continue working until retirement. Accordingly, the following themes were identified from the empirical data: the content of the work, support for workability, learning and development, flexibility and supervisory support. These themes are discussed in more detail below.

The positive aspects of work played a central role in late-career intentions, including motivation and willingness to continue working. In general, work was perceived as meaningful and providing a sense of purpose and a feeling of satisfaction. In addition, social relationships with patients and colleagues were seen as positive aspects of the job. The workload and the fast pace were perceived as negative factors.

...interaction with people, in other words, work with patients is the best. And seeing people recovering... N10

Well, this is a good workplace and good, big, competent work community, which has all kinds of human capital...and functional relationships with everyone, it is an asset. In addition, this job is mainly meaningful and kind of empowering, but the workload is big from time to time, and the amount of patients is enormous... and some of the people (employees) are at the edge of their endurance. N14

Psychiatric nursing professionals specifically highlighted mentally challenging work situations, whereas other nursing professionals stressed the physically demanding nature of their work on their late-career choices. In particular, changes in physical capabilities constrained their late-career choices. However, they also stressed their own active roles in ensuring their own work ability and in compensating for changes in their physical abilities.

I hope I will be able to continue (working) until retirement age, but this (deteriorating health) tells me I am ageing. N13

It also greatly depends on yourself, how you manage and develop along with your job, and how you take care of your own fitness. N21

...well, I have always said, that what I lose physically, I win in intelligence. I can organise my daily job in a way that I will not run all over the place and rush... N7

Continuous learning and development were closely related to discussions of the meaningfulness of the work and late career. The learning and development opportunities provided by the organisation were seen as playing an important role in horizontal career advancement, which prevented feelings of career plateauing. Continuous learning and development and the competencies gained at work were also closely related to the perceptions of their own work ability. However, continuous learning was also seen as demanding and tiresome when it was unclear how it related to individual professional development.

... I have always received new (career) changes (in this organisation) and a new start, and possibilities to learn new things. N4

Well, personally, I feel all kinds of projects are a lot on top of all the others. ...and then all the IT programmes are updated. That is quite frustrating N5

Professional competence also related to the discussion of individual roles in the work community. First, competence was perceived as reinforcing feelings of assertiveness and self-worth in the work community. Second, professional competence was perceived as contributing widely to the work community. Some emphasised their roles as mentors to new employees. They also tended to worry about the integration of these new employees and how they would adapt to their work community.

It helps to cope with the job if you feel that you are a respected person in the work community and you have something to give. N10

The turnover among personnel is high, so one big challenge at the moment is how to properly take care of the integration (of new employees) into this work community... N14

While they emphasised their own active role in maintaining workability, the active involvement was also expected from the organisation and supervisors. However, it was not always clear how the employer promotes the balance between individual resources and job demands.

For instance, in this house [hospital], I feel they [managers] have not figured out what they are doing with us, older nurses. I haven't seen...any development programme or project regarding what will happen to us, given that our exhaustion is physical in nature. N2

When it was asked about specific HRM practices and policies that would promote the older nursing professionals' abilities to continue working, those practices were related mainly to flexibility in working hours, including the reduction of shift work. Some stressed their own active role in reducing their workloads by, for example, refusing to do extra work. But, most of them expected the organisation to implement flexible practices. In addition, moving from shift work to day work was not seen as problem-free, given that it decreased their monthly salaries and thereby their future retirement allowances.

It happens a lot, when it is a rush situation and it is difficult to get employees... that (they) call during days off to go back to work. So, I have refused to be reached (by phone), I had to...when I went through that exhaustion. After that, I learned to listen to myself. There is no use of me being here at work if I have not rested and charged my batteries. N8

Well, when I think about what would promote my abilities to continuing working, flexibility, concerning, for example, work shifts, influences it... N3

... part of them (older nursing professionals) want to continue working in shifts due to the extra wages...I don't do night shifts any more, rarely weekends. It does

affect my wages...I first dropped off from night shifts and then from weekend shifts...taxation, of course, compensates for it, but the employer does not...But obviously, if you think that I will have been off of night shifts for ten years before I retire. Seven years off of weekend shifts. It really does matter. N2

In addition to flexible work practices, managerial support in general was seen as important to retaining older employees in the organisation. Great value was placed on the supervisory support. In particular, the mutual trust and respect between employee and supervisor was seen as a prerequisite to being able to discuss and negotiate possible challenges related to work ability as well as changes needed in the work.

The supervisor must see how an individual's resources match with the job... we have a good supervisor...she supports a lot and retains us, that helps (to cope with the job). N19

...I feel that as an employee, I have the responsibility to inform (my supervisor) when I am not able to manage my work...it is a kind of negotiation issue... N17

Well, of course it is important that the supervisor has the knowledge and understanding regarding the content of your work. And then, of course, that those supervisors have trust in (us)...Maybe it is because of the trust that I have been able to make development initiatives rather freely. N12

The content of the work, work ability, continuous learning, flexibility and supervisory support were most significant aspects related to retention among the studied older nursing professionals. Yet, some of these aspects also included challenges and contradictions. While the deteriorating workability was seen to influence the ability to continue working in a psychically (and mentally) demanding job, the work itself also motivated and provided a sense of meaning. In addition, although continuous learning was seen as a key component of being able to carry on through late career, it was also perceived as somewhat burdensome. Similarly, while flexibility in work schedules was seen to ease the workload, it was not always seen as a financially optimal solution.

Discussion

This chapter focused on the challenges and complexities related to the retention of older employees in organisations, with special reference to HRM. While longer life expectancy is the result of many improvements in our society, including improved healthcare, nutrition and safety, the ageing population and workforce presents a complex challenge to societies, organisations and individuals (Hertel & Zacher, 2018). In addition to society-level initiatives and reforms, including pension reform, there is a need for organisation-level actions to support longer working careers and the active ageing of employees (Mahon & Millar, 2014). Finding ways to retain older employees in organisations is also crucial to addressing expected labour shortages and minimising costs related to early retirement (Wang & Shultz, 2010).

Due to societal, industrial, organisational and individual differences, no single “fit-for-all” solution can be found for supporting longer working careers. This chapter discussed some of the contemporary theoretical viewpoints concerning retention of older employees in the field of HRM and provided an empirical example of the challenges and complexities related to retaining older nursing professionals in the field of public healthcare.

Despite diverse theoretical backgrounds, recent HRM studies concerning the retention of older employees, have emphasised the importance of fit between the abilities of employees and their work demands (Hertel & Zacher, 2018) as well as the active role of both employees and the organisation in order to support longer working careers (Kooij, 2015; Wallin, 2014). The empirical example presented in this chapter showed that the fit between an individual’s resources and job demands was closely related to the feelings of workability among older nursing professionals. Competence was identified as an important component of perceived workability. Thereby, continuous learning and development throughout working life, one way or another, is important for the retention of older employees (Ilmarinen, 2006; Hertel & Zacher, 2018). Opportunities to develop competencies was closely related to the discussion of horizontal career progress (Tempest & Coupland, 2016). It was also seen as way to contribute to the larger work community.

Older nursing professionals prioritised flexible working practices as a way to enable working until retirement age and even beyond (cf. Hennekam & Herrback, 2015). This supports the argument that flexible HRM practices are important for balancing demands in work and non-work domains (Bal & De Lange, 2015). However, changes in work schedules were also perceived as problematic, because they reduced wages. When it comes to the employee-supervisor relationship, trust and support from one's supervisor were seen as significant factors in providing an environment in which older employees could actively discuss and negotiate development initiatives needed to support longer working careers. This lends credence to the importance of collective and relational leadership (Uhl-Bien, 2006). The continuous fit between individual abilities and work demands requires age-inclusive HRM practices, but also the active role of supervisors and older employees themselves (Kooij, 2015).

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